

Pension Fund Regulations

Liberty 1e Flex Invest Foundation

Table of contents

Abbreviations

Definitions

General provisions

- Art. 1 Organisation and purpose of the Foundation
- Art. 2 Content of Regulations
- Art. 3 Admission to coverage
- Art. 4 Benefits coverage
- Art. 5 Unpaid leave of absence
- Art. 6 Obligation to inform and notify, and obligation of diligence

Salary/income definitions

- Art. 7 Insured salary/insured income
- Art. 8 Changes in salary/income
- Art. 9 Insured salary/insured income in the event of disability

Benefits

- Art. 10 Benefits insured under the benefits scheme
- Art. 11 Pension assets
- Art. 12 Reference ages for entitlement to benefits
- Art. 13 Children eligible for a pension

Retirement benefits

- Art. 14 Retirement benefits

Disability benefits

- Art. 15 Disability pension
- Art. 16 Disabled member's child pension
- Art. 17 Contribution waiver

Death benefits

- Art. 18 General
- Art. 19 Spouse's or registered partner's pension
- Art. 20 Partner's pension (non-registered partner)
- Art. 21 Orphan's pension
- Art. 22 Lump-sum death benefit

General provisions on benefits

- Art. 23 Payment of benefits
- Art. 24 Repayment of improperly received benefits
- Art. 25 Reduction and coordination rules
- Art. 26 Claims against liable third parties
- Art. 27 Adjustment of pensions in payment to the cost of living
- Art. 28 Set-off
- Art. 29 Prohibition of assignment and pledges
- Art. 30 Advancing benefits

Termination payments

- Art. 31 Termination payments (vested termination benefits)
- Art. 32 Cash payment

Other benefits

- Art. 33 Encouragement of home ownership
- Art. 34 Divorce or dissolution of a registered partnership

Funding

- Art. 35 Contributions and costs
- Art. 36 BVG/LPP Guarantee Fund
- Art. 37 Entry transfers of termination benefits (buy-ins)
- Art. 38 Voluntary purchases
- Art. 39 Financing early retirement
- Art. 40 Employer contribution reserves without declaration of renounced use
- Art. 41 Employer contribution reserve with declaration of renounced use

Other provisions

- Art. 42 Information to members
- Art. 43 Data protection and confidentiality
- Art. 44 Partial or total liquidation
- Art. 45 Termination of affiliation agreement
- Art. 46 Liability
- Art. 47 Omissions in the Regulations
- Art. 48 Amendments
- Art. 49 Language and equality
- Art. 50 Jurisdiction and governing law
- Art. 51 Transitional provisions
- Art. 52 Validity

Annex I: Occupational benefits for professional associations

Annex II: Conversion rates

Annex III: Pension-sharing settlements in connection with a divorce or the dissolution of a registered partnership

Abbreviations

In these Regulations, the below abbreviations shall have the following meaning:

AHVG/LAVS

Federal Act of 20 December 1946 on Retirement and Survivors' Insurance

AHVV/RAVS

Ordinance of 31 October 1947 on Retirement and Survivors' Insurance

BVG/LPP

Federal Act of 25 June 1982 on Occupational Retirement, Survivors', and Disability Pension Plans

BVV 2/OPP 2

Ordinance of 18 April 1984 on Occupational Retirement, Survivors', and Disability Pension Plans

FZG/LFLP

Federal Act of 17 December 1993 on Vesting in Retirement, Survivors' and Disability Pension Plans

FZV/OLP

Ordinance of 3 October 1994 on Vesting in Retirement, Survivors' and Disability Pension Plans

IVG/LAI

Federal Act of 19 June 1959 on Disability Insurance

MVG/LAM

Federal Act of 19 June 1992 on Military Insurance

OR/CO

Swiss Code of Obligations of 30 March 1911

PartG/LPart

Federal Act of 18 June 2004 on Registered Civil Partnerships between Persons of the Same Sex

UVG/LAA

Federal Act of 20 March 1981 on Accident Insurance

WEFV/OEPL

Ordinance of 3 October 1994 on the Use of Pension Assets for the Encouragement of Home Ownership

ZGB/CC

Swiss Civil Code of 10 December 1907

Definitions

In these Regulations, the terms below shall have the following meaning:

AHVG/LAVS reference age

The reference age according to the AHVG/LAVS is the AHV/AVS reference age (age 65 or completed 65th year).

The reference age for women is:

- for women born in 1960 or earlier, 64 years
- for women born in 1961, 64 years and three months
- for women born in 1962, 64 years and six months
- for women born in 1963, 64 years and nine months
- for women born in 1964 or later, 65 years

Benefits scheme

The pension fund committee shall decide on the benefits scheme, within the limits of the principles applicable to the Foundation, based on the scheme proposed by the Foundation. In principle, the benefits scheme may be changed at the start of any calendar year.

Children

This term is defined in Article 13.

Disability

Disability is a total or partial permanent or prolonged incapacity for work, with reference to an employee's actual work-time (degree of employment) at the onset of the incapacity for work.

Earning incapacity

Earning incapacity means, with reference to a balanced labour market, a full or partial loss of earning capacity caused by an impairment of physical, mental or psychological health, which persists after reasonable treatment and rehabilitation measures. In establishing earning incapacity, only the consequences of the health impairment shall be considered. Moreover, earning incapacity only exists if it cannot objectively be overcome.

Employee

A person employed by an affiliated employer.

Employer

A company or a self-employed person having concluded an affiliation agreement with the Foundation for the provision of occupational benefits to its/his employees.

Employer contribution reserves with a declaration of renounced use

This term is defined in Article 41.

Employer contribution reserves without a declaration of renounced use

This term is defined in Article 40.

Extra-mandatory benefits

The Foundation provides occupational benefits outside the scope of the mandatory occupational benefits.

Financing early retirement

Purchases designed to compensate the reduction in retirement benefits caused by early retirement.

Foundation

Liberty 1e Flex Invest Foundation is a collective foundation for extra-mandatory occupational benefits.

Incapacity for work

Incapacity for work means a full or partial incapacity, caused by an impairment of physical, mental or psychological health, to undertake work, which could be reasonably required in an employee's current profession or functions. In case of longer-term incapacity, the ability to perform work, which could be reasonably expected in another profession or other functions, is taken into account.

Insured salary

Defined in the benefits scheme. Only the portion of the salary exceeding one and a half times the upper limit under Article 8(1) BVG/LPP shall be insured. The maximum insurable salary is the maximum AHV/AVS contributory salary in accordance with Article 79c BVG/LPP (10 times the upper limit stipulated in Article 8(1) BVG/LPP) and Article 60c BVV 2/OPP 2 (taking into account all pensionable or coordinated salaries insured with other occupational benefit institutions). The same applies to the insured income of affiliated self-employed.

Member

A person (employee or self-employed) who is insured with the Foundation.

Partner

The Foundation grants the designated partner benefits under these Regulations.

Pension assets

This term is defined in Article 11.

Pension fund

The Foundation shall operate a separate pension fund for each affiliated employer and each affiliation agreement. For the pension funds of professional associations, the rules in the annex on occupational benefits for professional associations (Annex I) shall be additionally applicable.

Definitions (continuation)

Professional association

A professional association that has designated the Foundation for the provision of occupational benefits to the members of its profession, within the meaning of Article 44 BVG/LPP.

Registered partnership

A registered partnership within the meaning of PartG/LPart is equal to a marriage; the dissolution of a registered partnership by a court is equal to a divorce.

Regulatory reference age

The regulatory reference age is set in the benefits scheme of each pension fund. The regulatory reference age may not be later than the normal AHVG/LAVS reference age.

Retirement

Actual end of employment; may be before or after the (regulatory) reference age.

Risk insurance contract

The Foundation shall choose 1 or more insurance and reinsurance companies to cover its risks (Article 67 BVG/LPP and Articles 42 and 43 BVV 2/OPP 2).

Securities

Securities, within the meaning of these Regulations, refers to all securities investments and positions in a member's securities deposit.

Self-employed persons

Self-employed persons who are affiliated with the Foundation. Self-employed persons without employees are affiliated through membership of a professional association accredited by the Foundation.

Pension Fund Regulations

Relying on Article 8 of the Charter of Liberty 1e Flex Invest Foundation (hereafter «Foundation»), the Board of Trustees adopts the following Pension Fund Regulations (hereafter «Regulations»):

General provisions

Art. 1 Organisation and purpose of the Foundation

- 1 Liberty 1e Flex Invest Foundation a foundation established in accordance with Article 80 et seq. ZGB/CC and Article 331 et seq. OR/CO, having its registered office in Schwyz.
- 2 The Foundation is registered with the commercial register and is subject to the oversight of ZBSA, the BVG/LPP regulatory pension plan authority (hereafter «Regulatory Authority»).
- 3 The Foundation is organised in accordance with its Rules of Procedure.
- 4 The purpose of the Foundation is to provide extra-mandatory benefits coverage to the employees of affiliated companies and their families and survivors against the economic consequences of retirement, disability and death.
- 5 Self-employed persons may be insured with the Foundation within the limits of the law (Article 44 BVG/LPP). For the pension funds of professional associations, the rules in the annex on occupational benefits for professional associations (Annex I) shall be additionally applicable.
- 6 The Foundation shall cover death (before retirement) and disability risks by contracting insurance policies with insurance companies which are subject to federal oversight.
- 7 The Foundation grants extra-mandatory occupational benefits, within the meaning of Article 19a FZG/LFLP, without any minimum guarantee under Articles 15/17 FZG/LFLP, and without guaranteed interest.
- 8 The investment strategies offered by the Foundation for the management of pension assets in accordance with the Investment Regulations do not entitle members to a minimum interest rate or to the preservation of asset value. Members alone bear the investment risks.
- 9 Members shall be informed of the investment-related risks by the Foundation, consultant or asset manager.

Art. 2 Content of Regulations

- 1 These Regulations shall govern the rights and obligations of members and beneficiaries vis-à-vis the Foundation and the relationships between members, employer and the Foundation.

- 2 A pension fund may offer up to 3 benefits schemes to the members of each insurance group in accordance with Article 1d BVV 2/OPP 2. The groups shall be constituted based on objective criteria, such as seniority, responsibility, hierarchical position, age group or salary level. The benefit schemes shall form an integral part of these Regulations.

Art. 3 Admission to coverage

1 Admission criteria

All employees and self-employed persons, within the meaning of Article 1(5), who belong to an insurance group under the benefits scheme and whose AHV/AVS contributory salary exceeds the threshold defined in the benefits scheme shall be admitted to the Foundation.

2 Start of membership

Unless otherwise provided, members shall be admitted to a pension fund at the earliest:

- a) on 1 January following their 17th birthday for death and disability risks; and
- b) on 1 January following their 24th birthday for retirement retirement benefits, but not beyond the reference age or, in accordance with Article 33b BVG/LPP, until the age of:
 - 70 for men and women born in 1964 or later;
 - 69 years and nine months for women born in 1963;
 - 69 years and six months for women born in 1962;
 - 69 years and three months for women born in 1961; and
 - 69 for women born in 1960 or earlier.

3 Partially disabled members

Persons who are partially disabled (less than 70%) on admission to the Foundation shall only be insured for their degree of earning capacity.

4 Exceptions

The following persons may not be insured with the Foundation:

- employees who have reached or exceeded the reference age, unless they are employees with deferred retirement benefits taken over by the Foundation as members as part of a collective transfer;
- employees whose employer is not required to pay AHV/AVS contributions;
- employees hired for a limited period not exceeding 3 months. If employment is extended beyond the 3-month period, the employee shall be insured from the time the extension is agreed; if several consecutive terms of employment with the same employer last longer than 3 months altogether, and provided the break between any 2 consecutive terms does

- not exceed 3 months, the employee shall be insured from the start of the fourth month altogether of employment; if, however, it is agreed before the start of employment that the duration of employment will exceed 3 months altogether, the employee shall be insured from the start of employment;
- persons who are at least 70% disabled within the meaning of the Federal Disability Insurance (IV/AI), and persons who temporarily maintain their insurance with another occupational benefits institution in accordance with Article 26a BVG/LPP.

Art. 4 Benefits coverage

1 Start of coverage

For employees, coverage shall start on the first day of employment, or when they are first entitled to a salary, but in any event when the employee first sets off for work and the admission criteria in Article 3(1) are satisfied. If these conditions are satisfied at a later date, the employee shall be registered with the Foundation from that date. For self-employed persons, coverage shall start as a rule on the entry date indicated in their membership application, but not before the first day of the month in which the application is received by the Foundation. For self-employed persons without employees, the relevant provisions of the annex on occupational benefits for professional associations (Annex I) shall apply.

2 Definitive coverage

Definitive benefits coverage in accordance with the benefits scheme shall first start when the member is admitted without reserves by the Foundation. Members shall be informed in writing of their admission or definitive coverage (with or without medical exclusions in accordance with paragraphs 7 and 9 below).

- 3 Until a member receives definitive confirmation of admission to the insurance from the Foundation, death and disability coverage is temporary.

- 4 If, at the start of coverage, a member does not have full capacity for work, and the cause of the incapacity for work leads to a disability, or to an increase in the degree of disability, the member shall not be entitled to benefits under these Regulations or under the benefits scheme.

5 Temporary coverage/health assessment

The Foundation may require members to provide information about their health in the form of a written health report when they join, in the event of an increase in insured benefits, or if they apply to insure an additional salary or income. If necessary, the Foundation and the external offices entrusted with the health assessment (risk insurance and insurer's medical services) may, at their own expense, request the necessary information for the purposes of the health assessment from a doctor, or they may demand that the member submit to a medical examination.

- 6 Until definitive benefits coverage is granted, temporary risk coverage for a maximum amount shall be granted in accordance with the reinsurance contract. The Foundation shall notify the temporary coverage to the member in writing. If an insured event occurs during the period of temporary coverage:
- benefits deriving from the vested termination payment which were subject to an exclusion imposed by the previous occupational benefits institution shall be granted subject to such exclusion;
 - the other temporarily insured benefits shall be granted within the limits of the temporary coverage, except in the event of a disability or an increase in the degree of disability which was due to an incapacity for work or to a cause (accident, illness, congenital disease, ailment/health condition) which existed at the start of temporary coverage, or for which the member was already under medical treatment or medical control.

- 7 Exclusions may be made in respect of death and disability risks based on the submitted documents and the health statement in particular. The duration of the exclusion may not exceed 5 years for an employee and 5 years for a self-employed person. Exclusions imposed by the previous occupational benefits institution may be maintained in effect, in which case the exclusion period lapsed with the previous institution shall be deducted from the new exclusion period. An exclusion decided by the Foundation shall not apply to benefits deriving from entry transfers of vested termination benefits, provided such benefits were not subject to exclusions decided by the previous occupational benefits institution.

- 8 If a prospective member refuses to cooperate with the health assessment and, in particular, fails to provide a statement of health or undergo the required medical examination, the Foundation may terminate the death and disability coverage (risk insurance) on the extra-mandatory portion and permanently limit its death and disability coverage to the statutory minimum BVG/LPP benefits, subject to Article 22(1) on the payment of the lump-sum death benefit.

9 Benefits coverage (risk coverage) in the event of a medical exclusion

If during the term of the exclusion an insured event occurs (death or incapacity for work which subsequently causes disability, an increase in the degree of disability, or death) the cause of which was covered by an exclusion, the benefits payable by the Foundation (including reversionary survivors' benefits) shall be permanently reduced to the BVG/LPP minimum benefits, subject to Article 22(1) on the payment of the lump-sum death benefit.

- 10 If benefits coverage, or the insured salary or income is extended or increased, Article 4(2) to 4(9) shall apply analogously to the additional benefits to be insured.

11 Breach of the obligation to disclose

If the Foundation subsequently discovers that the statement of health contains information that is incorrect or incomplete, or that the member provided false or incomplete information during the medical examination (breach of the obligation to disclose), the Foundation may terminate death and disability coverage (or announce its withdrawal from the pension agreement) immediately, and reduce benefits payments or deny them altogether. This shall not apply to benefits deriving from transfers of vested termination benefits, provided such benefits were not subject to exclusions or reservations decided by the previous occupational benefits institution. The Foundation shall inform the member in writing within 4 months of becoming aware of the breach of the obligation to disclose. The notification shall be valid if sent within the time limit.

12 End of benefits coverage

Benefits coverage shall end on the date the member withdraws from the Foundation's benefits coverage, namely:

- following termination of employment;
- if the admission criteria are no longer met; or
- following termination of the affiliation agreement.

Notwithstanding, Article 5 on maintenance of coverage during unpaid leave may apply. For self-employed persons without employees, the relevant provisions of the annex on occupational benefits for professional associations (Annex I) shall apply.

13 Continued coverage

When a member leaves the Foundation, his existing death and disability coverage shall be continued until the start of his insurance with a new occupational benefits institution, but for no longer than 1 month. In case of retirement, there shall be no continued coverage.

14 Re-admission

Members who are re-admitted to the Foundation after having left shall be treated like new members.

Art. 5 Unpaid leave of absence

- 1 During unpaid leave lasting no longer than 2 years, death and disability risks may, at the member's request, continue to be insured at the same level as at the start of the leave.
- 2 At the member's request, savings contributions may be continued during the unpaid leave in addition to the risk insurance under paragraph 1.
- 3 The reference basis shall be the member's last insured salary before the unpaid leave. The member shall pay both the employer and the employee contributions. The employer shall collect the contributions.
- 4 The employer may participate in funding the contributions during the member's unpaid leave.

- 5 If the member does not avail himself of the possibility of maintaining his insurance coverage or risk insurance before the start of the leave, the full risk insurance (retirement, death and disability) shall be suspended from the actual start of the unpaid leave until the member resumes work. If the member does not resume work for the employer within 2 years at the most, the occupational benefits relationship shall be terminated and he shall leave the pension fund in accordance with Article 31.

Art. 6 Obligation to inform and notify, and obligation of diligence

- 1 Affiliated employers, professional associations, self-employeds, pension fund committees, members and their survivors shall provide the Foundation promptly with all necessary information for the proper provision of the occupational benefits. The Foundation may demand all material documentation for the purpose of establishing claims to benefits.
- 2 Affiliated employers, professional associations, self-employeds, members and their survivors shall promptly and automatically notify the Foundation of any material facts affecting the insurance relationship. The following, namely, shall be deemed material facts: entries and re-admissions (provided the admission criteria under Article 3 and under the benefits scheme are satisfied); exits; retirements; cases of incapacity for work liable to result in disability; changes in the degree of disability; deaths; changes in address, payment instructions, civil status, family relationships or cohabitation, and in the activity of children receiving an orphan's or a child's pension. The member and his survivors shall automatically inform the Foundation about any other income to be taken into account (e.g. Swiss and foreign social security benefits, benefits from other occupational benefits institutions, income still earned from gainful employment).
- 3 On joining the Foundation, new members shall communicate to the Foundation the particulars of their vested termination benefits from prior pension arrangements. Members shall make available to the Foundation their termination payment statement showing, in particular, any pledges or withdrawals made under the encouragement of home ownership scheme (WEFV/OEPL). Members shall also provide the particulars of their main pension coverage (current benefits scheme, insurance certificate, etc.) to the Foundation.
- 4 If a member has several pension arrangements, and if the sum of all his AHV/AVS contributory salaries or income is more than 10 times the maximum limit under Article 8(1) BVG/LPP, he shall notify the Foundation of all his pension plan arrangements, indicating the salaries and income insured thereunder.
- 5 In cases of earning incapacity, the employer shall declare all claims promptly so that the appropriate steps may be taken to mitigate losses as early as possible. Moreover, the employer

shall inform the Foundation about any circumstances liable to result in a loss: in particular, repeated absences lasting longer than 1 week, absences of more than 1 month, and reorganisations or restructurings involving lay-offs or early retirements.

Salary/income definitions

Art. 7 Insured salary/insured income

- 1 The insured salary shall equal the annual salary or, in the case of self-employed members, the declared annual income, minus the coordination amount, if applicable, under the provision that only the portions of the salary and income that exceed the one-and-a-half times upper limit according to Article 8(1) BVG/LPP may be insured. The insured salary or insured income, as the case may be, shall serve as the calculation basis for the insured benefits and contributions. The coordination deduction is set in the benefits scheme.
- 2 It may be agreed in the benefits scheme that bonuses and performance commissions exceeding the BVG/LPP one-and-one-half times upper limit under Article 8(1) BVG/LPP shall be taken into account in the insured salary or that only bonuses and performance commissions are insured. Paragraph 3 shall be taken into account in this regard.
- 3 A member's annual salary generally corresponds to his prior year's AHV/AVS salary, plus or minus any changes agreed for the new calendar year. If a member joins the Foundation in the course of a year, his annual salary shall equal the annual salary agreed with the employer. If only bonuses are insured, the possible purchases in accordance with Article 38 and the possible purchases for early retirement in accordance with Article 39 may be determined, within the limits of the statutory prescriptions (namely observing the principle of adequacy in accordance with Articles 1 and 1a BVV 2/OPP 2) on the basis of the the average of the bonuses paid in the last 3 years, the previous year's bonus or a realistic estimate (agreed bonus). Any bonuses to be taken into account shall be expressly notified to the Foundation.
- 4 Members, especially self-employed, whose degree of occupation and income levels fluctuate significantly shall declare their estimated income for the current year (agreed income) which may not, however, exceed the AHV/AVS contributory income. Employers and self-employed who cannot yet rely on a definitive calculation basis shall declare their reasonably expected AHV/AVS contributory income.
- 5 Customary fees for board membership, which are subject to AHV/AVS contributions, may be taken into account for the purpose of calculating the insured salary provided that the recipient is not a member of the pension fund of the employer paying such fees.

- 6 The following amounts shall not be included in the annual salary calculation:
 - portions of salary earned from other employers (except for board membership fees in accordance with paragraph 5);
 - remuneration and earnings that are merely occasional, such as:
 - temporary allowances and casual emoluments such as child and family allowances, overtime pay and compensation, performance-based bonuses, gratuities and any extra allowances for special work (such as Sundays, night shifts and travel time);
 - bonuses, or performance commissions, unless otherwise provided in the benefits scheme; and
 - professional expenses of any kind.
- 7 A member's insured salary or insurable income during unpaid leave in accordance with Article 5 shall correspond at the most to his existing insured salary or insurable income.
- 8 Employers and self-employed shall communicate the annual salary and insured bonuses, or performance commissions, if any, as at 1 January to the Foundation at the start of the year, or on admission to coverage. Any insured bonuses or performance commissions which are first set or paid out (retroactively) after 1 January may, where agreed between the employer, the member, and the Foundation, be reported retroactively for the current year until 30 November at the latest.
- 9 Within the limits stipulated in this Article, the insured salary for retirement benefits and the insured salary for death and disability risks may differ in the benefits scheme. The same does not and cannot apply to the insured income of affiliated self-employed.

Art. 8 Changes in salary/income

- 1 The insured salary shall be determined for the first time when a member is admitted to coverage and, thereafter, as a rule at the start of every calendar year. If a member changes his degree of employment, the insured salary or income, and the contributions and benefits shall be adjusted accordingly. In accordance with Article 20(2) FZG/LFLP, a benefits statement as in the case of a transfer of vested termination benefits is not required.
- 2 Changes in salary or income during the year may be taken into account where agreed between the employer, the member, and the Foundation (including retroactively), however, significant changes may be subject to a new risk check. Otherwise, adjustments shall be made as of 1 January of the following year. If the employer, or a self-employed member, as the case may be, does not report the salary as at 1 January, the previously reported AHV/AVS annual salary or annual income shall remain valid unless otherwise agreed between the employer, the member and the Foundation.

- 3 If a member's salary is temporarily reduced as a result of illness, accident, unemployment, maternity leave, paternity leave, adoption leave or on similar grounds, the previous insured salary shall be maintained at least for the period during which the employer is legally obligated to pay the salary under Article 324a OR/CO, or for the duration of the maternity leave under Article 329f OR/CO or paternity leave under Article 329g OR/CO or adoption leave under Article 329i OR/CO. The member may, however, request a reduction of his insured salary.

Art. 9 Insured salary/insured income in the event of disability

- 1 If a member becomes disabled, the salary or income, which was valid immediately before the onset of the incapacity for work, shall remain constant for pension purposes.
- 2 If a member suffers a partial incapacity for work, his benefits shall be divided into an active portion and a passive («disability») portion. The reference basis for the apportionment of the salary or income shall be the salary or income that was valid at the immediately before the onset of the incapacity for work. The apportionment shall be made in accordance with the benefits scale (percentage share of pension entitlement) in Article 15(8). Any limits stipulated in the benefits scheme shall be reduced accordingly.
- 3 The salary attributed to the passive («disability») portion shall remain constant.
- 4 For the active portion, the income earned for the residual gainful employment shall be treated as the annual salary. The same shall apply to persons who are partially disabled when they are admitted to coverage. For members who are recognised as partially disabled within the meaning of the IV/AI, the entry threshold, coordination deduction and the BVG/LPP upper limit shall be reduced in accordance with the IV/AI pension entitlement.

Benefits

Art. 10 Benefits insured under the benefits scheme

- 1 The benefits scheme shall specify which of the following benefits are covered:
 - a) at the reference age
 - retirement benefits (Article 14)
 - b) in the event of disability (before retirement)
 - disability pension (Article 15)
 - disabled member's child pension (Article 16)
 - contribution waiver (Article 17)
 - c) in the event of death (before retirement)
 - spouse's or registered partner's pension (Article 19)
 - partner's pension (Article 20)
 - orphan's pension (Article 21)
 - lump-sum death benefit (Article 22)
 - supplementary lump-sum death benefit (Article 22).

- 2 The Foundation shall grant benefits in accordance with the benefits scheme. The benefits scheme is an integral part of these Regulations.
- 3 Subject to the conditions set forth in these Regulations, the Foundation shall pay the regulatory benefits in the insured event of retirement, disability or death during the term of the insurance coverage. To qualify for disability benefits, a member must have been insured with the Foundation at the onset of the incapacity for work, the cause of which led to his disability. To qualify for survivors' benefits, the deceased member must have been insured with the Foundation at his death or at the onset of the incapacity for work, the cause of which led to his death, or he must have been the recipient of a disability pension from the Foundation at his death.

Art. 11 Pension assets

- 1 An individual pension assets account shall be maintained for each member from 1 January after the member's 24th birthday – or earlier if applicable under the benefits scheme – the pension assets shall be increased by a retirement credit for each calendar year until the member leaves the Foundation or until the occurrence of an insured event, but at the latest until the member reaches the reference age.
- 2 If a member defers retirement and remains gainfully employed beyond the reference age, retirement credits shall continue to be allocated until the member actually retires but at the latest until the age of
 - 70 for men and women born in 1964 or later;
 - 69 years and nine months for women born in 1963;
 - 69 years and six months for women born in 1962;
 - 69 years and three months for women born in 1961; and
 - 69 for women born in 1960 or earlier.Members may apply to maintain pension coverage without contributions.
- 3 Pension assets shall be individually calculated and managed for each member.
- 4 The following amounts in particular shall be credited to a member's pension assets:
 - termination payments transferred from other occupational benefits institutions;
 - vested termination benefits transferred from vested termination institutions;
 - employee retirement credits;
 - employer retirement credits;
 - retirement credits from the self-employed;
 - purchases;
 - contributions to finance early retirement;
 - repayments of withdrawals in connection with the encouragement of home ownership;
 - any pension-sharing settlements received following a divorce or the judicial dissolution of a registered partnership;
 - repurchases made following a divorce;
 - interest and income from securities.

- 5 The following shall be charged to the pensions assets:
 - withdrawals in connection with the encouragement of home ownership;
 - partial withdrawals (pension-sharing payments) made following a divorce or the judicial dissolution of a registered partnership;
 - withdrawals in case of partial retirement;
 - capital for financing retirement and survivors' benefits when they fall due;
 - fees and costs charged by the Foundation, agents and representatives in accordance with the Fee Schedule or by written agreement.
- 6 The amount of the annual retirement credits shall be stipulated in the benefits scheme.
- 7 In case of full disability (entitlement to a whole disability pension), retirement credits shall continue to be paid for the duration of the disability until the reference age. Retirement credits shall be based on the insured salary at the onset of the incapacity for work. In case of partial disability, the Foundation shall apportion the pension assets according to the degree of disability (percentage share of a whole pension). The disability portion of the pension assets shall be maintained as for a fully disabled member and the active portion of the pension assets shall be maintained as for an active member.

Art. 12 Reference ages for entitlement to benefits

- 1 For admission to coverage and for the calculation of the retirement credits and contributions, the reference age shall be the difference between the current calendar year and the year of the member's birth.
- 2 The regulatory reference age shall be set in the benefits scheme of each pension fund. Members shall be entitled to retirement benefits on reaching the regulatory reference age.
- 3 Retirement benefits may be withdrawn in full or in part in accordance with Article 14(1) to 14(6), and pension coverage may be continued in accordance with Article 14(8). The reference age shall be deemed to have been reached to the extent retirement benefits are drawn.
- 4 The early retirement age set in the benefits scheme may not be less than the age of 58. Exceptions to the minimum early retirement age shall be possible in case of corporate restructuring or on grounds of public safety within the meaning of Article 1i(2) BVV 2/OPP 2.
- 5 Risk coverage (death and disability, contribution waiver) shall cease at the latest when a member reaches the AHVG/LAVS

reference age. Notwithstanding, an additional lump-sum death benefit may be due under the benefits scheme in accordance with Article 22(3). If retirement is deferred beyond the AHVG/LAVS reference age, the disability risk insurance shall be in accordance with Article 14(7).

Art. 13 Children eligible for a pension

- 1 The children eligible for a pension are:
 - a member's own children and his adopted children;
 - a member's foster children entitled to a pension in accordance with the AHV/AVS;
 - a member's step-children who are entirely dependent or significantly dependent on the member.
- 2 Unless otherwise provided in the benefits scheme, the age limit for a child's entitlement to a pension shall be 18.
- 3 Children at school or in training, or who are at least 70% disabled, shall remain eligible for a pension after that age, but not beyond their 25th birthday.
- 4 A child's eligibility to a pension shall expire at his death.

Retirement benefits

Art. 14 Retirement benefits

- 1 Members shall be entitled to retirement benefits on reaching the regulatory reference age.
- 2 A member whose pension relationship is terminated after he reaches the age at which retirement is possible under the benefits scheme but before the regulatory reference age may apply to receive a retirement benefit. Otherwise, a termination payment shall be due in accordance with Article 31(2).
- 3 The retirement benefits are equal to the actual value of the assets available on his account or deposit on the retirement date. In principle, they will be paid as lump-sum capital. In certain cases, the retirement benefits will be paid as a pension (see paragraph 5) without any choice for the member. In such cases, the amount of the retirement pension shall correspond to the available pension assets at the retirement date, multiplied by the conversion rate applicable at that time in accordance with Annex II.
- 4 If the member is married or bound by a registered partnership, the withdrawal of lump-sum capital shall be subject to the written consent of his spouse or registered partner, whose signature must be officially certified.

5 As a rule, in the 3 years before (full) retirement, members cannot make any further purchases in accordance with Article 38, nor can they contribute to their early retirement account in accordance with Article 39. If the 3-year blocking period is not observed, the Foundation reserves the right to pay the portion of retirement benefits derived from purchases in accordance with Article 38 and early retirement contributions in accordance with Article 39 in the last 3 years before (full) retirement as a pension, subject to any purchases made pursuant to Article 22d FZG/LFLP (repurchases following a divorce or the dissolution by a court of a registered partnership).

6 If a member reduces his degree of employment after reaching the permitted age for early retirement, he may apply for partial retirement with staggered payment of retirement benefits. The partial retirement benefit shall be calculated on the portion of his pension assets corresponding to the partial retirement. Partial retirement is allowed in no more than three steps provided that:

- the first partial retirement step must correspond to at least 20% of the retirement benefit;
- the full retirement benefit may be withdrawn if the residual insured salary falls below the threshold salary in Article 2(1) BVG/LPP; and
- the share of the retirement benefit withdrawn in a partial retirement step before the regulatory reference age may not be higher than the share of the corresponding reduction in salary.

No more than three lump-sum withdrawals may be made. This also applies when the salary earned from a single employer is insured with several occupational benefits institutions. A lump-sum benefit (one step) comprises all retirement benefits drawn as lump-sum capital in a single calendar year. The degree of employment may not be raised again subsequently. Once retirement benefits have been partially withdrawn, purchases shall only be permitted based on the reduced salary or income.

7 If a member remains gainfully employed after reaching the reference age, he may defer his retirement benefit until he gives up gainful employment, but at the latest until the age of:

- 70 for men and women born in 1964 or later;
- 69 years and nine months for women born in 1963;
- 69 years and six months for women born in 1962;
- 69 years and three months for women born in 1961; and
- 69 for women born in 1960 or earlier.

If a member defers his retirement, he shall no longer be entitled to a disability pension. If a member ceases gainful employment following illness or an accident during the period of deferred retirement, only retirement benefits shall be paid to the exclusion of disability benefits. The benefits shall be calculated based on the actual available value of the account/securities deposit when gainful employment ceased and, for the rest, analogously with Article 14(3).

8 At the member's request, the Foundation shall continue his benefits coverage unchanged at the latest until he reaches the regulatory reference age, provided that, after the member turns 58, his salary is not reduced by more than half and he

does not join any other occupational benefits institution. In addition to his personal contribution for continued coverage of his previous insured salary (or previous insured income), the member shall pay the difference in the employer's contribution compared with the previous insured salary (or insured income). The employer shall collect the contributions. In case of continued coverage of the previous insured salary (or insured income), partial retirement in accordance with paragraph 6 shall be excluded.

9 Members contemplating retirement (regulatory, early, partial or deferred) shall notify the Foundation by completing and signing the relevant form at least 3 months before the start of the claim to the retirement benefit. The Foundation will then sell the securities at the earliest possible date after the retirement benefit falls due. For the retirement savings capital or the portion thereof payable as a lump-sum benefit, the member may apply on the ad hoc form for his portfolio to be transferred to his private security deposit with the bank of his choice provided the securities are deliverable.

10 If a member fails to notify his retirement date to the Foundation in the form and within the time limits prescribed above, the Foundation shall sell the securities as quickly as possible after receiving the actual notice or, at the request of the member on the relevant form, the Foundation shall transfer the securities to a private deposit. The retirement benefit shall then equal the payment actually disbursed and/or the securities actually transferred.

Disability benefits

Art. 15 Disability pension

- 1 A member shall be deemed disabled when he is recognised as disabled within the meaning of the IV/AI.
- 2 The Foundation may at any time demand further information and evidence about the state of health of a member who is disabled or incapacitated for work, and may ask for a medical opinion or medical examination.
- 3 As a rule, the Foundation shall determine the degree of disability based on the decision of the IV/AI office. The Foundation may also rely upon the diagnosis of its medical advisor and the employer's reports.
- 4 Entitlement to disability benefits presupposes that the member is at least 40% disabled and was insured with the Foundation based on these Regulations at the onset of the incapacity for work, the cause of which led to his disability. There is no entitlement to a disability pension based on Article 23b and 23c BVG/LPP.
- 5 Entitlement to a disability pension shall not start on expiry of the time limit under paragraph 6 as long as the member is receiving his full salary or a daily allowance under the health

or accident insurance. Payment of the disability pension shall start at the earliest on the same date as the payment of the IV/AI disability pension.

6 The waiting period shall correspond to the actual period of disability or incapacity for work, which must elapse before the start of the entitlement to benefits. The waiting period shall be specified in the benefits scheme. If the waiting period is 24 months and if, in the event of incapacity for work as a result of illness, the daily sickness allowance is not paid for a period of 24 months, the disability pension and disabled member's child pensions shall be paid from the day on which the daily sickness allowance ceases, but at the earliest from the start of the entitlement to an IV/AI pension.

7 A member who is at least 70% disabled shall qualify as fully disabled. A member whose disability is less than 70% but at least 40% shall qualify as partially disabled.

8 Disability benefits shall be set as a percentage share of a whole disability pension and paid according to the following scale:

Degree of incapacity for work or disability in %	Disability benefit in % (pension entitlement)
0 - 39	0
40	25
41	27.5
42	30
43	32.5
44	35
45	37.5
46	40
47	42.5
48	45
49	47.5

For a degree of disability between 50% and 69%, the percentage share corresponds to the degree of disability:

Degree of incapacity for work or disability in %	Disability benefit in % (pension entitlement)
50	50
51	51
... (etc.)	... (etc.)
69	69

From a 70% degree of disability, members are entitled to a whole disability pension:

Degree of incapacity for work or disability in %	Disability benefit in % (pension entitlement)
From 70	100

9 Entitlement to a disability pension shall cease, subject to temporary maintenance of insurance in accordance with Article 26a BVG/LPP, if

- the degree of disability falls below 40% or the IV/AI cancels its pension benefits (from the end date);
- the member is reinstated (incapacity for work is eliminated);
- the member dies; or
- the member reaches the reference age. On reaching the reference age, the disability pension shall be replaced by a retirement pension.

10 Changes in the degree of disability shall be subject to review, and benefit entitlements shall be adjusted accordingly. Once it has been set, a disability pension can only be increased, decreased, or cancelled if the degree of disability changes by at least 5 percentage points. If, following a reduction in the degree of disability, too much was paid by way of benefits, the excess amount shall be repaid. An increase in the degree of disability shall only be taken into account if it occurs before the expiry of the additional coverage period in accordance with Article 4(13).

11 If coverage is temporarily maintained in accordance with Article 26a BVG/LPP, the Foundation shall reduce its disability pension in line with the member's reduced degree of disability, provided that the reduction is compensated by additional income earned by the member.

12 The amount of the whole annual disability pension for full disability shall be set in the benefits scheme.

Art. 16 Disabled member's child pension

1 Entitlement to a disabled member's child pension shall start at the same time as the member's entitlement to a disability pension and provided the member's children are eligible for a pension under Article 13.

2 The disabled member's child pension shall be payable from the same date as the disability pension. The entitlement to a pension shall end with the end of the entitlement to a disability pension, but at the latest when the child is no longer eligible for a pension under Article 13.

3 The amount of the whole annual disabled member's child pension in case of full disability shall be specified in the benefits scheme. For members entitled to a partial disability pension, the disabled member's child pension determined for full disability shall be granted in accordance with the disability benefit scale (percentage share of the pension entitlement) in Article 15(8).

Art. 17 Contribution waiver

1 The member and the employer shall be released from the obligation to contribute to retirement credits (savings contributions) and to pay risk contributions for the duration of the contribution waiver.

- 2 To be entitled to a contribution waiver, a member must have an incapacity for work of at least 40% and must have been insured under these Regulations at the onset of the incapacity for work.
- 3 Entitlement to a contribution waiver shall start upon expiry of the waiting period under the benefits scheme.
- 4 Entitlement to a disability pension shall cease, subject to temporary maintenance of insurance in accordance with Article 26a BVG/LPP, if:
 - the IV/AI cancels its pension benefits (from the end date) or issues a decision denying IV/AI benefits (from the date of the decision);
 - the member is reinstated (his incapacity for work is eliminated);
 - the member reaches the reference age; or
 - the member dies.
- 5 Members with a partial incapacity for work or partially disabled members shall be entitled to a partial contribution waiver. The percentage of contribution waiver shall correspond to the disability benefit scale (percentage share of the pension entitlement) in Article 15(8). For this purpose, the insured salary at the start of the incapacity for work is weighted by the pension entitlement. An incapacity for work or a disability of less than 40% does not entitle the member to a contribution waiver.

Death benefits

Art. 18 General

- 1 In the event of death before retirement, the benefits scheme may also provide for the following risk benefits:
 - a) spouse's or registered partner's pension
 - b) partner's pension
 - c) orphan's pension
 - d) lump-sum death benefit
 - e) supplementary lump-sum death benefit
- 2 If the benefits under letters a to c of paragraph 1 are insured, the lump-sum death benefit under letter d shall correspond to the pension assets available (actual value of the pension account/securities deposit when the securities are sold or transferred after the member's death) provided the reinsurer does not need such assets to fund the benefits and unless otherwise provided in the benefits scheme, in particular with regard to purchases in accordance with Article 38, and the prefinancing of early retirement in accordance with Article 39, which shall not be applied to financing benefits in accordance with paragraph 1a to 1c, but shall be directly applied to the lump-sum death benefit in accordance with paragraph 1d.
- 3 If a member dies before retirement and no benefits under paragraph 1a to 1c are insured, the lump-sum death benefit under letter d shall correspond to the pension assets available

(actual value of the pension account/securities deposit when the securities are sold or transferred after the member's death).

- 4 Coverage of these risk benefits (also see Article 12(5)) shall expire at the latest when a member reaches the AHVG/LAVS reference age. Notwithstanding, an additional lumpsum death benefit may be due under the benefits scheme in accordance with Article 22(3).

Art. 19 Spouse's or registered partner's pension

- 1 At his death, a member who is married or bound by a registered partnership shall be entitled to a pension for his surviving spouse or registered partner.
- 2 If a married member or a member bound by a registered partnership or a disabled member dies before he reaches the reference age, a spouse's pension or a partner's pension shall be insured in favour of the surviving spouse or registered partner, as the case may be. The amount of the spouse's and partner's pension shall be specified in the benefits scheme.
- 3 If, at his death, the member was receiving a disability pension from the Foundation, the surviving spouse or registered partner shall be entitled to a spouse's or partner's pension where foreseen in the benefits scheme. The amount of the spouse's and partner's pension shall be specified in the benefits scheme. Pension portions allocated to the beneficiary spouse under a pensionsharing order pursuant to Article 124a ZGB/CC shall not be included in the last paid or last insured retirement pension.
- 4 The spouse's or partner's pension shall begin on the first day of the month following the death of the married member or member bound by a registered partnership, but not before the end of the entitlement to continued payment of the full salary or, in the case of a recipient of a disability pension, at the earliest on the first day of the month after the pension payments cease.
- 5 The entitlement shall end if the beneficiary remarries before his 45th birthday, or when he dies. If the surviving spouse or partner remarries before his 45th birthday, a one-off settlement equal to 3 annual spouse's or partner's pensions shall be paid. Payment of the settlement shall extinguish any further claim to a pension. The pension shall expire at the latest at the death of the spouse or partner.
- 6 If the surviving spouse or partner is more than 10 years younger than the deceased member, the spouse's or partner's pension shall be reduced by 1% of its amount for each full year or fraction of a year exceeding the 10 years' age difference.
- 7 No spouse's or partner's pension shall be due if, at the time of the marriage or registration of partnership, the member was age 60 (men) or 59 (women) and was suffering from a serious illness of which he was aware and from which he dies within 2 years of the marriage or registration of partnership.

8 The surviving spouse or registered partner may apply to receive a lump-sum settlement instead of a spouse's or partner's pension. The settlement shall be equal to the mathematical reserve. The application for a lump-sum settlement must be addressed to the Board of Trustees in writing before the first pension payment, otherwise the right shall be forfeited. Payment of the lump-sum capital settlement shall extinguish any entitlement to further regulatory benefits, subject to due payment of any orphans' pensions.

Art. 20 Partner's pension (non-registered partner)

- 1 If an active or disabled member living in a partnership qualifying for entitlement to a partner's pension in accordance with paragraph 2 dies (before retirement), the surviving partner shall be entitled to a partner's pension.
- 2 The entitlement to a partner's pension shall only exist if, at the member's death:
 - a) both partners were unmarried and were not bound by a registered partnership (PartG/LPart); and
 - b) the partners were not related to each other; and
 - c) in the last 5 years before the member's death, the partners uninterruptedly cohabited and shared a common life; or the surviving partner was significantly dependent on the member, or must provide maintenance for 1 or more of the couple's children; and
 - d) the surviving partner is not drawing a spouse's or partner's pension from any Swiss or foreign occupational benefits institution; and
 - e) the member designated the partnership to the Foundation electronically (via the online portal) or in writing during his lifetime.
- 3 The partner's pension shall correspond to the spouse's pension and shall be set in the benefits scheme.
- 4 The provisions of Article 19(4) concerning the start of a pension and of Article 19(6) to 19(7) concerning the reduction and the end of a pension shall apply analogously to the partner's pension. In this regard, instead of the marriage date, the start of the partnership shall apply.
- 5 The surviving partner may apply to receive a lump-sum settlement instead of a partner's pension. The settlement shall be equal to the mathematical reserve. The application for a lump-sum settlement must be addressed to the Board of Trustees in writing before the first pension payment, otherwise the right shall be forfeited. Payment of the one-off settlement shall extinguish any entitlement to further regulatory benefits, subject to due payment of any orphans' pensions.

Art. 21 Orphan's pension

- 1 At his death, a member shall be entitled to an orphan's pension for his children eligible for a pension in accordance with Article 13.

2 Entitlement to an orphan's pension shall start on the day after the member's death but not before the end of the entitlement to continued payment of the member's full salary or disability or retirement pension. Entitlement shall cease as soon as the child no longer satisfies the eligibility criteria for a pension under Article 13.

3 The amount of the orphan's annual pension shall be specified in the benefits scheme.

Art. 22 Lump-sum death benefit

- 1 Entitlement to a lump-sum death benefit shall exist if the member dies before reaching the regulatory reference age, provided and insofar as the available pension assets (actual value of the pension account/securities deposit when the securities are sold or transferred after the member's death) are not needed to finance death benefits in accordance with Articles 18 to 21.
- 2 The amount of the lump-sum death benefit shall be specified in the benefits scheme.
- 3 **Supplementary lump-sum death benefit:** A supplementary lump-sum death benefit may also be insured under the benefits scheme, at the latest until the age of:
 - 70 for men and women born in 1964 or later;
 - 69 years and nine months for women born in 1963;
 - 69 years and six months for women born in 1962;
 - 69 years and three months for women born in 1961; and
 - 69 for women born in 1960 or earlier.A supplementary lump-sum death benefit may only be insured beyond the AHVG/LAVS reference age if it was already insured before the reference age set in the benefits scheme. The supplementary lump-sum death benefit shall be paid to the beneficiaries in accordance with paragraph 4.
- 4 Irrespective of inheritance law, the following persons shall be entitled to the lump-sum death benefit under paragraph 1 and to the supplemental lump-sum death benefit, if any, under paragraph 3:
 - a) the member's spouse or registered partner; failing him:
 - b) the member's children eligible for a pension under Article 13; failing them:
 - c) natural persons who were significantly dependent upon the member, or the person who qualifies for entitlement to a partner's pension in accordance with Article 20(2), or who must maintain 1 or more of their own children; there shall be no entitlement for a person drawing a spouse's or partner's pension from a Swiss or foreign occupational benefits institution; failing them:
 - d) the member's other children who are not eligible for a pension under Article 13; failing them:
 - e) parents; failing them:
 - f) brothers and sisters; failing them:
 - g) the other legal heirs, excluding public bodies.

5 The beneficiaries designated in paragraph 4a to 4f shall be entitled to the full lump-sum death benefit. The beneficiaries designated under paragraph 4g shall be entitled to the higher of:

- 50% of the pension assets plus the supplementary lump-sum death benefit, or
- the personal contributions paid by the member.

The residual amount, if any, shall be credited to the pension fund's non-committed assets.

6 The entitlement referred to in paragraph 4c is subject to the condition that the member shall have designated the persons concerned to the Foundation electronically (via the online portal) or in writing during his lifetime.

7 A member may, electronically (via the online portal) or by written notice to the Foundation determine the proportional distribution among the entitled persons within the individual classes of beneficiary. He may also

- extend the circle of beneficiaries under paragraph 4(a) to include persons under paragraph 4(b) and (c);
- extend the circle of beneficiaries under paragraph 4(b) to include persons under paragraph 4(c); and
- extend the circle of beneficiaries under paragraph 4(d) to include persons under paragraph 4(e) and (f); or
- change the order of the classes of beneficiary under paragraph 4d to 4f.

The electronic (via the online portal) or written notice must be received by the Foundation during the member's lifetime. The member may revoke his notice at any time in writing or by will (with specific reference to occupational benefits).

8 In the absence of an electronic (via the online portal) or written notice from the member with instructions for the distribution of the lump-sum death benefit, the distribution among several parties within the same class of beneficiary shall be in equal shares.

9 If there are no beneficiaries in any classes under paragraph 4, the lump-sum death benefit (pension assets) shall be allocated to the non-committed assets of the pension fund.

10 Deaths must be notified to the Foundation in writing. The Foundation will sell the securities at the latest for the due date of the death benefits. With regard to the lump-sum death capital or death benefits payable in the form of lump-sum capital, the entitled beneficiary may apply (on the ad hoc form) for the securities portfolio to be transferred to a private securities deposit with the bank of his choice, provided he is the only entitled party and the securities are deliverable.

the case of lump-sum benefits and, unless otherwise provided in Article 14 et seq., for benefits payable in the form of a pension. Termination payments due in accordance with Article 31 shall be payable within 30 days of receipt by the Foundation of all requisite substantiation. If a securities investment cannot be liquidated in time for a payout date (e.g. liquidation of an ETF or suspended fund redemption), the securities investment will be transferred as part of the retirement or termination payment. If it is not possible to transfer this position to the financial institution of the member's choice (in case of an insured event) or to the new occupational benefits or vested benefits institution (in the event of a termination benefit), the illiquid portion of the pension assets or termination benefit will be transferred after the position is liquidated. Default interest cannot be claimed from the Foundation on the illiquid investment (the member must bear any existing market risk).

2 Members or beneficiaries shall deliver to the Foundation all necessary documents to substantiate their claim. If benefits have been pledged, cash disbursements shall be subject to the written consent of the pledgeholder. The Foundation may demand proof of entitlement at any time. In particular, the Foundation may require a life statement to be produced before disbursing a pension. If the requisite proof is not produced, the Foundation may stop the payment of benefits.

3 Pensions which are due and payable shall be paid in monthly instalments at the beginning of the month to the account communicated to the Foundation. If the Foundation's payment obligation starts during a month, the Foundation shall pay the pro rata amount. When the payment obligation ends, the pension shall be due for the entire month. In the event of a change in the degree of disability, settlement shall be made to the exact day.

4 Pursuant to Article 124a ZGB/CC, in the event of a divorce or the dissolution by a court of a registered partnership, pensions plus interest in accordance with Article 19j FZV/LFLP shall be transferred to the occupational or vested benefits institution of the beneficiary spouse by 15 December.

5 If, at the retirement date, the disability pension payable for an entitlement to a whole disability pension is less than 10%, the spouse's pension or partner's pension less than 6%, and the child's pension less than 2% of the minimum simple AHV/AVS pension, an equivalent lump-sum capital benefit calculated in accordance with actuarial rules shall be paid in lieu of the pension. Such payment shall be made in full and final settlement of all regulatory claims.

6 Beneficiaries who are foreign residents shall first be required to produce a confirmation of residence abroad. Payment shall be made to the bank or post office account in Switzerland designated by the beneficiary. If payments are made abroad, the actual costs shall be charged.

7 Pension benefits shall be paid in Swiss Francs.

General provisions on benefits

Art. 23 Payment of benefits

1 Regulatory benefits shall be paid within 90 days of receipt by the Foundation of the necessary substantiation, especially in

- 8 If the Foundation is required to pay default interest, it shall be paid at the minimum BVG/LPP interest rate. Termination payments shall not bear interest after they fall due.
- 9 If a member neglects his maintenance obligations, the Foundation may be obligated to notify the official agency designated by the canton when a lump-sum benefit falls due. The official agency may subsequently initiate proceedings to secure payment of the maintenance obligations (Article 40 BVG/LPP). For as long as a lump-sum benefit cannot be paid by reason of a notification and the blocking period under Article 40(6) BVG/LPP, or because subsequent proceedings have been initiated to secure maintenance payments, default interest shall not be due.

Art. 24 Repayment of improperly received benefits

Benefits that are improperly received shall be repaid with interest. Repayment may be waived if the beneficiary acted in good faith and repayment would cause great hardship. The decision shall lie with the Board of Trustees.

Art. 25 Reduction and coordination rules

- 1 The Foundation shall reduce the disability and survivor's benefits if, combined with other income to be taken into account, they exceed 90% of the member's last declared salary (or income for self-employed) before the start of the incapacity for work. If benefits are due under UVG/LAA accident insurance or MVG/LAM military insurance in respect of the same insured event, the retirement benefits shall be reduced analogously.
- 2 To be taken into account are benefits of a similar nature and purpose granted to the beneficiary on grounds of the insured event, such as pensions or lump-sum benefits (calculated at the pension conversion rate) paid by Swiss or foreign social security, occupational benefits or vested benefit institutions, with the exception of invalidity allowances, indemnities and additional income earned during participation in rehabilitation measures (Article 8a IVG/LAI). Income from gainful employment, or replacement income, earned by a disabled member and income or replacement income that he could still reasonably earn are also taken into account. The income of the partner entitled to benefits and the orphans are added together.
- 3 Any lump-sum benefits entering into account shall be converted into equivalent pensions applying the pension conversion values of the respective Swiss and foreign social security and occupational benefits institutions.
- 4 The Foundation may reduce its benefits accordingly if the death or disability of a member was caused by gross negligence on the part of the beneficiary, or if the member refuses IV/AI rehabilitation measures. The Foundation may refuse benefits to an entitled person and shall not be bound by the member's written designation if the entitled person caused, or attempted to cause, intentionally and unlawfully, the member's death or disability.

- 5 The Foundation shall not compensate benefits denied or reduced by the accident or military insurance. Neither shall the Foundation be obliged to compensate any reduction in other benefits after the AHVG/LAVS reference age (in particular pursuant to Article 20(2ter) and (2quater) UVG/LAA and Article 47(1) MVG/LAM), or the reduction or denial of other benefits due to fault.

Art. 26 Claims against liable third parties

Upon the occurrence of an insured event, the Foundation shall be subrogated to the member, his survivors and any other beneficiaries pursuant to these Regulations, up to the amount of the legal benefits, with respect to their claims vis à vis any third-party liable for the insured event. The member or the entitled person (with entitlement to extra-mandatory disability or survivor's benefits) shall assign his claims against liable third parties to the Foundation up to the amount of the Foundation's liability for benefits. The Foundation shall suspend benefits pending the assignment of such rights by the entitled parties. If the Foundation is successful in asserting claims against liable third parties, such claims shall not be taken into account in calculating the reduction in accordance with Article 25(1).

Art. 27 Adjustment to pensions in payment to the cost of living

Pensions shall be adjusted for increases in the cost of living within the limits of the Foundation's financial possibilities. Each year, the Board of Trustees shall decide whether or not to adjust pensions and to what extent.

Art. 28 Set-off

The Foundation's claims may be offset against benefits that are due and payable. Entitlement to benefits from the Foundation may only be offset against claims assigned to the Foundation by the employer if such claims relate to contributions not deducted from the member's salary.

Art. 29 Prohibition of assignment and pledges

The entitlement to benefits from the Foundation may not be assigned or pledged before the benefits fall due. Notwithstanding, the provisions on the use of pension assets for the encouragement of home ownership and the transfer of pension assets in the case of a divorce or the dissolution by a court of a registered partnership may apply.

Art. 30 Advancing benefits

The Foundation does not advance benefits within the meaning of Article 70 ATSG/LPGA and Articles 22(4) and 26(4) BVG/LPP.

Termination payments

Art. 31 Termination payments (vested termination benefits)

Entitlement to termination payments

- 1 Members who leave the Foundation for reasons other than the occurrence of an insured event (retirement, death or disability) shall be entitled to a termination payment. Article 26a BVG/LPP on provisional maintenance of coverage may apply. The termination payment shall be transferred to the member's new occupational benefits institution.
- 2 Members who leave the Foundation before they reach the regulatory reference age but after reaching the regulatory early retirement age under the benefits scheme shall be entitled to a termination payment if they remain in gainful employment or register for unemployment benefits (subject to Article 2(1 bis) FZG/LFLP) provided they do not apply for a retirement benefit (Article 14).
- 3 Partially disabled members shall be entitled to a termination payment corresponding to the active portion of their pension assets. If they subsequently recover their full working capacity and are reemployed by the employer, they shall be entitled to a termination payment also in respect of the portion under maintained coverage. Members whose IV/AI pension is reduced or cancelled shall also be entitled to a termination payment at the end of the period of temporary maintenance of insurance and entitlement to benefits under Article 26a BVG/LPP.

Amount of vested termination payments

- 4 The termination payment shall equal the accrued pension assets (actual value of the pension account/securities deposit) when the securities are sold or transferred after leaving the Foundation (Article 11).
- 5 Deviating from Articles 15 and 17 FZG/LFLP, in the event of (personal) underfunding, the actual value of the accrued pension assets (value of the pension account/securities deposit when the securities are sold or transferred after leaving the Foundation shall be transferred to the member by way of termination payment when he leaves the Foundation. There is no entitlement to a minimum termination payment, and there is no interest guarantee.
- 6 If, after it has transferred the termination benefit, the Foundation is obligated to pay survivors' or disability benefits, it shall be entitled to claim repayment of the termination benefit (with interest) up to the amount required to cover those benefits. If repayment is not forthcoming, the Foundation shall reduce its benefits.

Use of termination payments

- 7 The termination payment shall be transferred for the account of the outgoing member to his new occupational benefits institution in Switzerland or Liechtenstein. If the member does

not join a new occupational benefits institution, the termination payment shall be used to open a vested benefits account or purchase a vested benefits policy from a vested benefits institution in Switzerland, subject to a possible cash payment in accordance with Article 32.

- 8 When they leave, members must inform the Foundation of the particulars for the transfer of their benefit entitlements, indicating in particular their new occupational benefits or vested benefits institution in accordance with paragraph 7 above. As soon as the Foundation has received the necessary information, it shall transfer the termination payment to the new occupational benefits or vested benefits institution in accordance with Article 23(1) or – if the member and the new occupational benefits institution agree – it shall transfer the securities. The general provisions of Article 23 shall otherwise apply with regard to the maturity and payment of termination benefits.
- 9 Failing such notice within 6 months of leaving, the securities will be sold at the earliest possible date and the termination payment will be transferred to the Substitute Occupational Benefit Institution.

Art. 32 Cash payment

- 1 A member who leaves the Foundation may apply to cash in his termination payment or for his securities – if deliverable – to be transferred to a private security deposit, if:
 - the outgoing member is leaving Switzerland permanently and is not moving his residence to the Principality of Liechtenstein; or
 - the outgoing member becomes self-employed and is no longer subject to mandatory occupational benefits coverage; or
 - the outgoing member is self-employed and insured on a voluntary basis, and uses the termination payment for investments in his business; or
 - the termination payment is less than the outgoing member's regulatory annual contribution.
- 2 Outgoing members shall provide the requisite proof for the cash payment.
- 3 Vested termination benefits deriving from voluntary purchases may not be paid out in cash in the 3 years after the purchases were made.
- 4 Members who are married or living in a registered partnership may not withdraw their pension assets in cash without the officially certified written consent of their spouse or registered partner.
- 5 If the termination payment is pledged, cash payments shall be subject to the written consent of the pledgeholder.

Other benefits

Art. 33 Encouragement of home ownership

- 1 A member may apply for a withdrawal to finance the purchase of a residential property for his own use up to 3 years before the start of his entitlement to a retirement pension or until the occurrence of an insured event (death or disability).
- 2 Subject to the same time limit, a member may pledge his entire entitlement to pension or vested termination benefits, or a portion thereof, to finance the purchase of a residential property for his own use. To be valid, a pledge must be notified to the Foundation in writing.
- 3 Members who are over the age of 50 may not withdraw or pledge more than the termination payment to which they would have been entitled at the age of 50, or half the termination payment at the time of the withdrawal or pledge.
- 4 In case of underfunding, the Foundation may defer the requested withdrawal for home ownership for no more than 2 years.
- 5 A withdrawal shall have the effect of reducing the member's pension assets. The benefits depending thereon shall be reduced accordingly. There is no reduction in benefits in the case of a pledge. The enforcement of a pledge shall have the same effects as a withdrawal.
- 6 If the amount withdrawn or enforced under a pledge is fully or partially repaid, the repayment shall be credited to the member's retirement savings capital. Withdrawals may be fully or partially repaid at any time before the start of the entitlement to retirement benefits, or until the occurrence of an insured disability, or until death, but at the latest until the member leaves the Foundation.
- 7 The member must prove that the conditions for the use of the requested withdrawal are satisfied under the encouragement of home ownership scheme. If the member is married or bound by a registered partnership, the withdrawal, each subsequent creation of a mortgage lien and any pledge shall be subject to the consent of the spouse or registered partner by means of an officially certified signature.
- 8 Withdrawals, repayments of withdrawals, and pledges for the financing of home ownership shall be governed by the statutory provisions on the use of pension assets for the encouragement of home ownership (Article 30a et seq. BVG/LPP, Article 331d et seq. OR/CO and the WEFV/OEPL).

Art. 34 Divorce or dissolution of a registered partnership

- 1 In the event of a divorce or the dissolution of a registered partnership by a court, the competent Swiss court shall decide how the pension entitlements acquired between the start of the

marriage or registered partnership and the initiation of the divorce or dissolution proceedings shall be shared between the parties.

- 2 Only judgments of Swiss courts shall be recognised by the Foundation with regard to pension-sharing settlements.
- 3 Unless otherwise decided by a Swiss court, the provisions of Annex III on pension-sharing settlements shall apply to settlements following a divorce or the dissolution of a registered partnership.

Funding

Art. 35 Contributions and costs

Obligation to pay contributions

- 1 The Foundation shall levy savings, risk and cost-coverage contributions and, if necessary, recovery contributions.
- 2 The obligation to pay contributions starts upon admission to the Foundation.
- 3 The obligation to pay contributions shall cease at the member's death, and at the latest when the member takes full retirement or leaves the Foundation prematurely following the termination of his employment, or because he no longer satisfies the admission criteria, subject to contribution waivers in the event of disability. If a member remains (fully or partially) gainfully employed beyond the reference age and defers his retirement benefit, he shall continue paying savings contributions until he ceases gainful employment, but at the latest until the age of:
 - 70 for men and women born in 1964 or later;
 - 69 years and nine months for women born in 1963;
 - 69 years and six months for women born in 1962;
 - 69 years and three months for women born in 1961; and
 - 69 for women born in 1960 or earlier.Members may apply to maintain pension coverage without contributions.
- 5 The employer shall pay its contributions from its own funds or from any contribution reserves set aside for that purpose.

Amount of contributions and costs

- 6 The amount and composition of ordinary contributions shall be specified in the benefits scheme. The employer's contribution shall be at least equal to the total contributions of all members.
- 7 The contributions for special expenses and the other costs (fees and charges) in connection with the pension arrangement shall be specified in a separate Fee Schedule.

Art. 36 BVG/LPP Guarantee Fund

- 1 The Foundation is affiliated with the BVG/LPP Guarantee Fund.
- 2 The benefits scheme shall regulate how the contributions to the BVG/LPP Guarantee Fund shall be funded.

Art. 37 Entry transfers of termination benefits (buy-ins)

- 1 The extra-mandatory termination payment due from a member's previous occupational benefits institution and any extra-mandatory pension assets held with a vested benefits institution shall be transferred to the Foundation unless the member is mandatorily required to transfer them to another occupational benefits institution. The Foundation may not accept any termination payments from mandatory pension coverage.
- 2 Members may also arrange for any pension assets earned abroad in accordance with Article 60b(2) BVV 2/OPP 2 to be transferred directly to the Foundation by their foreign occupational benefits institution.

Art. 38 Voluntary purchases

- 1 As prescribed by law, members may purchase regulatory benefits to enhance their benefits coverage or to attain full regulatory benefits. The requisite purchase decision may be taken on joining the occupational benefits institution or later. The member shall submit the corresponding form to the Foundation for the calculation of the maximum permissible purchase amount.
- 2 The maximum purchasable amount in regulatory benefits shall correspond to the difference between the maximum permissible pension assets and the actual available pension assets (actual value of the pension account/securities deposit) on the date of the purchase. The maximum purchasable amount is calculated based on the retirement credits and insured salary (or the insured income in the case of self-employed) at the time of purchase. The calculation is made in accordance with the Foundation's calculation tool at the time of purchase.
- 3 The maximum purchase amount is reduced by the amount of any pillar 3a pension assets exceeding the statutory limits (Article 60a(2) BVV2/OPP2), and by the amount of any pension benefits which remain in the existing occupational benefits institution, or any vested pension benefits which the member was not required to transfer to the Foundation (Art. 60a(3) BVV2/OPP2). For members who have already received retirement benefits from the Foundation or another occupational benefits institution and who subsequently take up gainful employment again or increase their degree of employment anew, the maximum purchase allowance is reduced by the amount of the retirement benefits already received (Article 60a(4) BVV2/OPP2). Further special statutory or fiscal limits on purchases may apply.

- 4 The benefits scheme regulates how the purchases are applied and, in particular, how purchases are taken into account in the death benefits.
- 5 If any withdrawals under the encouragement of home ownership scheme are outstanding, no purchases and contributions to individual investment fluctuation reserves may be made until such withdrawals have been repaid (Article 79b BVG/LPP). This restriction does not apply to purchases made in connection with a divorce or the dissolution by a court of a registered partnership.
- 6 In the case of members arriving from abroad who were not previously members of an occupational benefits institution in Switzerland, purchases may not, during the first 5 years of membership in the Foundation, exceed 20% of the annual insured salary (or insured income for self-employed) under the benefits scheme. Once the 5-year time limit has lapsed, the member may purchase the full regulatory benefits. This restriction on purchases shall not apply to the transfer of foreign pension assets within the meaning of Article 37(2) as long as the member does not apply to deduct the amounts thus transferred from his direct federal, cantonal and municipal taxes.
- 7 Purchases may be made at the latest until the member's death, the start of incapacity for work leading to the entitlement to a whole disability pension or death, or up to 3 years before full retirement. No purchases may be made during unpaid leave within the meaning of Article 5. In the event of disability, purchases of the passive portion of the insurance are no longer possible. Members who have a purchase allowance and who remain gainfully employed after reaching the AHVG/LAVS reference age may continue making purchases up to three years before full retirement, but only up to the maximum amount of the retirement savings capital at the AHVG/LAVS reference age. Purchases in the framework of a divorce or court dissolution of a registered partnership shall be allowed by way of exception.
- 8 If purchases were made, the benefits deriving from those purchases may not be withdrawn as a lump sum in the following 3 years. Death benefits and pension-sharing benefits following a divorce or court dissolution of a registered partnership shall be excepted (Article 79b BVG/LPP).
- 9 Within the limits prescribed by law, the employer may make purchases on a member's behalf. The preceding paragraphs shall apply mutatis mutandis.
- 10 The tax authorities' decision concerning the deductibility of personal purchases is reserved. The Foundation shall assume no liability in this respect.

Art. 39 Financing early retirement

- 1 A member may make additional contributions (purchases) to fully or partially compensate reductions in the event early retirement benefits are paid. Article 38 shall apply analogously.
- 2 Contributions for financing early retirement may only be made if the member has purchased the full regulatory benefits in accordance with Article 38 and if he has repaid any withdrawals in connection with the encouragement of home ownership.
- 3 The purchasable amount shall be calculated based on the difference between the retirement pension at the regulatory reference age and the retirement pension at the early retirement age, which must be notified in advance. This difference in pension shall be calculated in accordance with the Foundation's actuarial tables.
- 4 If a member has fully or partially financed his early retirement savings but continues to work beyond the chosen early retirement date, the ordinary regulatory retirement credits will be reduced or suspended until his actual retirement date (at the latest when he reaches the regulatory reference age).
- 5 If the regulatory target benefit is overstepped by more than 5%, the excess amount shall be allocated to the free assets of the Pension Fund.

Art. 40 Employer contribution reserves without declaration of renounced use

- 1 The employer may create voluntary employer contribution reserves, which shall be accounted separately.
- 2 Employer contribution reserves may not exceed 5 times the employer's ordinary contributions (employer's share).
- 3 At the employer's written request, the employer's regulatory contributions may be paid from the employer contribution reserves.
- 4 If the employer is in arrears with its regulatory contributions, its contributions shall be charged to the employer contribution reserves.
- 5 Employer contribution reserves shall be created, accounted and managed separately for each pension fund. They shall earn interest at the rate decided by the Board of Trustees.

Art. 41 Employer contribution reserves with declaration of renounced use

In the event of collective underfunding at pension fund level, the employer may pay additional contributions up to the amount of the underfunding to a separate employer contribution reserve covered by a declaration of renounced use (Art. 65e BVG/LPP). Amounts may be transferred to these reserves

from the employer contribution reserves without a declaration of renounced use. Once underfunding is eliminated, the reserves shall be dissolved (Article 44a(1) BVV 2/OPP 2).

Other provisions

Art. 42 Information to members

- 1 Each member shall be issued an insurance certificate at least once a year containing information about his insured salary, amount of insured benefits and contributions to the Foundation (with reference to the statement of pension account and securities deposit), and his pension assets. In case of discrepancy between the benefits indicated on the insurance certificate and those defined in these Regulations or the benefits scheme, the Regulations or the benefits scheme, as the case may be, shall prevail.
- 2 Moreover, the Foundation shall inform members once a year about its financial statements, organisation and funding, and about the composition of the Board of Trustees.
- 3 At a member's request, the Foundation shall provide information about the return on capital, actuarial risk trends, administration costs, mathematical reserve calculation, provisions and reserves, and the current value of the pension account/securities deposit. Each member shall also receive a statement of assets once a year. Each member may ask the Foundation to communicate to him all his data and to rectify such data if necessary.
- 4 In the event of a divorce or the dissolution of a registered partnership by a court, information shall be communicated to the member or the court, at their request, about the amount of the pension assets or pensions serving as a basis for the calculation of the termination payment or pensions to be shared.

Art. 43 Data protection and confidentiality

- 1 The Foundation shall handle members' personal data in due compliance with legal requirements (Article 85a to 87 BVG/LPP).
- 2 Members acknowledge that the Foundation will forward the personal data and documents required for the provision of his occupational benefits to the commissioned administrative office. Where necessary, the latter may communicate the insurancerelated data to the reinsurer(s).
- 3 The members of the Board of Trustees and pension fund committees, and all persons entrusted with the management, administration, monitoring or regulation of the Foundation shall be bound by secrecy with regard to the business of the Foundation and the personal and financial circumstances of members and employers.

Art. 44 Partial or total liquidation

The procedure and preconditions for the partial liquidation of the Foundation and the partial or total liquidation of pension funds are defined in the partial liquidation regulations of the Foundation.

Art. 45 Termination of affiliation agreement

- 1 If an affiliation agreement is cancelled following termination by the employer (with the written consent of the pension fund committee) or by the self-employed members, the pensioners (recipients of survivor and disability pensions) and the mathematical reserves for all pensions in payment shall be transferred to the new occupational benefits institution. Cases of incapacity for work which occurred before the termination of the affiliation agreement and which subsequently lead to disability shall be regulated in accordance with paragraph 5. Termination by an employer or self-employed member shall only be effective after presentation of a written statement from another occupational benefits institution confirming that it will take over the pensioners at the same terms and conditions.
- 2 The employer or self-employed (if need be with the cooperation of the professional association) are jointly responsible for the proper transfer of the pensioners and their pension entitlements to the new occupational benefits institution.
- 3 The mathematical reserves pertaining to pension claims, which came into being during the life of an affiliation agreement, shall be calculated and transferred following the accounting principles applied in the Foundation's financial statements. Conversely, the mathematical reserves for the pensioners taken over from the previous occupational benefits institution shall be transferred applying the same calculation bases and discount rate as the Foundation applied when it originally took them over.
- 4 If an affiliation agreement is terminated by the Foundation, the Foundation and the new occupational benefits institution shall reach an agreement concerning the taking over or not of the pensioners by the latter. If no agreement is reached, the pensioners shall remain with the Foundation, save in the event of unlawful conduct on the part of the employer.
- 5 The affiliation agreement shall remain in effect for members with an incapacity for work and a current (or foreseeable) claim to a contributions waiver if, when the agreement is terminated, the longest waiting period for all disability benefits has not yet expired or the Foundation has not yet received the requisite information enabling it to award or deny a disability pension.
- 6 The pension relationship shall first be extinguished and transferred to the new occupational benefits institution when the member recovers his full working capacity, or upon expiry of the longest waiting period for disability benefits and receipt by the Foundation of all requisite information for the recognition of a disability pension.

- 7 Termination of an affiliation agreement may lead to the application of the Partial Liquidation Regulations.

Art. 46 Liability

The Foundation declines all liability for any consequences arising from the infringement of obligations by the affiliated employers and pension funds, professional associations and members, survivors and representatives (e.g. based on the obligation to disclose, notify and act with due care pursuant to Article 6). The Foundation reserves the right to assert claims for any losses incurred as a result and to demand repayment (Article 35a BVG/LPP), or offset any benefits which were unduly paid in accordance with Article 28.

Art. 47 Omissions in the Regulations

If any provision on any specific point has been omitted from these Regulations, the Board of Trustees shall adopt an appropriate rule in line with the object of the Foundation.

Art. 48 Amendments

- 1 The Board of Trustees may decide to amend these Regulations at any time within the limits of the law, ordinances and the Articles of the Foundation. The Foundation shall inform members in an appropriate manner about any amendments to these Regulations. The currently valid version shall be available at www.liberty.ch or may be obtained from the Foundation. The duly vested rights of members and pensioners shall in any event be guaranteed, unless legal prescriptions provide for changes or the possibility of a regulatory amendment requiring changes. These Regulations, their Annexes and any subsequent amendments shall be submitted to the Regulatory Authority.
- 2 If the Board of Trustees establishes that, as a result of extraordinary events such as war, epidemics/pandemics, devaluation, etc., there is or will be a significant change in the fundamentals of occupational benefits, the Board of Trustees may take the necessary steps forthwith in consultation with the Regulatory Authorities.

Art. 49 Language and equality

All Regulations shall be construed and interpreted in the German-language version. Words in the male form shall apply indifferently to men and women.

Art. 50 Jurisdiction and governing law

These Regulations shall be governed by Swiss Law. Disputes between members, other entitled parties and the Foundation shall be subject to the jurisdiction of the courts in accordance with Article 73 BVG/LPP. For the rest, the place of jurisdiction for all types of proceedings shall be Schwyz, as shall the place of performance and debt collection for members and contractual partners not resident or domiciled in Switzerland.

Art. 51 Transitional provisions

- 1 Benefits for insured cases that occurred before the new Regulations came into force shall be settled in accordance with the benefits scheme and regulations valid at the time the case occurred. Subject to coordination in accordance with Article 25 and any changes in benefits following a pension-sharing settlement in the event of divorce or dissolution by a court of a registered partnership pursuant to Article 34 and Annex III. Furthermore, paragraphs 2 to 3 below may apply.
- 2 The entitlement and calculation of disability and survivor benefits (before retirement) shall be governed by the benefits scheme and regulations in effect at the onset of the incapacity for work, the cause of which led to the death or disability, or at the time of death. Subject to paragraph 3 below, coordination in accordance with Article 25 and any changes in benefits following a pension-sharing settlement in the event of divorce or dissolution by a court of a registered partnership pursuant to Article 34 and Annex III.
- 3 If disability benefits end because the member dies before reaching the regulatory reference age, death benefits shall be governed by the benefits scheme and the regulations in force at the onset of the incapacity for work, except for the order of beneficiaries under Article 22(4) of these Regulations. The regulations in force at the time of death shall govern the order of beneficiaries under Article 22(4) above.
- 4 **Transfer of the disability pensions in payment on 1 January 2022 to the new pension system**
For recipients of a disability pension whose pension entitlement started before 1 January 2022 and who were age 55 or over on 1 January 2022, the pension entitlement will remain subject to the Foundation Regulations applicable on 31 December 2021.
- 5 For recipients of a disability pension whose pension entitlement started before 1 January 2022 and who had not yet reached the age of 55 on 1 January 2022, the existing pension entitlement will remain valid until it changes by at least 5 percentage points following a revision in the IV/AI degree of disability. Notwithstanding, if the adjustment in the pension entitlement results in a reduction in the existing pension entitlement despite an increase in the degree of disability, or in an increase in the existing pension entitlement despite a reduction in the degree of disability, the existing pension entitlement shall remain in force.
- 6 For recipients of a disability pension whose pension entitlement started before 1 January 2022 and who had not yet reached the age of 30 on that date, the provisions on pension entitlement under Article 15(8) above shall apply from 1 January 2032 at the latest. If the amount of the disability pension falls below the existing amount, the recipient of the disability pension shall be granted the existing pension amount until it changes by at least 5 percentage points based on a revision of the IV/AI degree of disability.

- 7 For the duration of the provisionally maintained insurance in accordance with Article 26a BVG/LPP, the application of the pension entitlement based on the degree of disability under Article 15(8) shall be deferred.
- 8 The contribution waiver is always governed by the current regulatory provisions (whereby the pension entitlement under Article 17(5) above is based on the pension scale applicable until 31 December 2021 or on the stepless pension system applicable since 1 January 2022). The reference salary remains unchanged subject, however, to the adjustments in the relevant pension entitlement.

Art. 52 Validity

These Regulations shall come into force on 1 January 2024; they cancel and replace the prior version of 25 May 2023.

Schwyz, 1 December 2023

Board of Trustees, Liberty 1e Flex Invest Foundation

Annex I

to the Pension Fund Regulations of Liberty 1e Flex Invest Foundation

Occupational benefits for professional associations

By way of amendment to the Pension Fund Regulations, the following provisions shall additionally apply to occupational benefits for professional associations.

Art. 1 Organisation and purpose of the Foundation

- 8 The Foundation shall maintain separate individual occupational benefits solutions for each professional association accredited by it. These can be joined by self-employed members of the respective professional association who do not employ any staff, and who sign an affiliation agreement with the Foundation.

Art. 4 Benefits coverage

1 Start of coverage

For self-employed members of the professional association, coverage shall start as a rule on the date indicated in the affiliation agreement but not before the first day of the month in which the Foundation receives the affiliation agreement.

1.2 End of coverage

Benefits coverage shall end on the date the member leaves the Foundation's benefits coverage. In the case of self-employeds, this may occur as a result of:

- termination of the affiliation agreement;
- complete cessation of the gainful self-employed activity;
- loss of membership of the professional association; or
- investment of all his pension assets in his business.

Annex II

to the Pension Fund Regulations of Liberty 1e Flex Invest Foundation

Conversion rates

The following conversion rates (for retirement benefits in accordance with Article 14(3) of the Pension Fund Regulations) shall apply:

Age	Conversion rate
58	2.45%
59	2.60%
60	2.75%
61	2.90%
62	3.05%
63	3.20%
64	3.35%
65	3.50%
66	3.65%
67	3.80%
68	3.95%
69	4.10%
70	4.25%

Annex III

to the Pension Fund Regulations of Liberty 1e Flex Invest Foundation

Pension-sharing settlements in connection with a divorce or the dissolution of a registered partnership

In addition to Article 34 of the Pension Fund Regulations, and unless otherwise ordered by a Swiss court, the following provisions shall apply in the event of a divorce or the dissolution of a registered partnership:

Art. 1 Divorce of an active member

- 1 In the case of members who have not yet reached the regulatory reference age and are not disabled, the termination payment acquired between the start of their marriage and the initiation of divorce proceedings, and any withdrawals for residential property, shall be divided between the spouses.
- 2 The final and enforceable divorce decree (absolute decree) shall regulate the amount and use of the portion of the member's termination payment to be transferred in favour of the beneficiary divorced spouse. If, based on the decree absolute, the Foundation is required to transfer a portion of the vested benefits acquired during the marriage to the occupational benefits institution of the beneficiary spouse, the member's available pension assets shall be reduced by the amount transferred. The (retirement and survivors') benefits deriving from the pension assets shall be reduced accordingly. The death and disability benefits before retirement insured on the basis of the salary shall not be reduced.
- 3 The same procedure shall apply if the Foundation is required to pay a pension-sharing portion (possibly as a lump sum) in favour of the beneficiary divorced spouse.
- 4 If a member receives a termination payment or a pension-sharing portion (including in the form of a lump sum) in connection with a divorce, the amount received shall be credited to the member's pension assets with the Foundation in the same proportion as the transferred amount was debited to the pension assets of the debtor spouse with his occupational benefits institution.

Art. 2 Divorce of a disabled pensioner (before the regulatory reference age)

- 1 For members who are fully or partially disabled, the acquired termination payment within the meaning of Article 1(2) above shall correspond to the amount to which they would have been entitled if they had been reinstated at the pension-sharing reference date (notional retirement savings capital or pension assets).
- 2 If, following the divorce of a member who receives a temporary disability pension and based on the decree absolute, the Foundation is required to transfer a portion of the vested benefits acquired during the marriage to the occupational benefits institution of the divorced spouse, the disabled member's available or continuance pension assets (before reaching the reference age) shall be reduced by the amount transferred. Disability benefits (disability pension and disabled member's child pensions) in payment when divorce proceedings are initiated shall not be reduced until the member reaches the reference age. However, the extra-mandatory portions shall be adjusted accordingly. The reversionary retirement and survivors' benefits deriving from the pension assets shall be reduced. If the accrued retirement savings capital at the start of the disability pension is included in the regulatory calculation of the disability pension, the disability pension shall be reduced in accordance with the Foundation's actuarial tables up to the maximum limit in accordance with Article 19(2) and 19(3) BVV 2/OPP 2 (subject to any disabled member's child pensions already in payment when divorce proceedings were initiated). The reference date for calculating the reduction shall be the initiation date of the divorce proceedings.
- 3 If, following the divorce of a disability pensioner entitled to lifelong disability benefits based on the decree absolute, the Foundation is required to transfer a portion of the vested benefits acquired during the marriage to the occupational benefits institution of the divorced spouse, the available retirement savings capital shall be reduced in accordance with paragraph 2 above and the disability pension shall be reduced in accordance with the Foundation's actuarial tables by the maximum possible amount under Article 19(2) and 19(3) BVV 2/OPP 2 (subject to any disabled member's child pensions already in payment when divorce proceedings were initiated).

Annex III (continuation)

Art. 3 Retirement during the divorce proceedings

- 1 If, during the divorce proceedings, the member becomes eligible for (partial or full retirement) retirement benefits, or if a disability pensioner reaches the regulatory reference age, the Foundation shall reduce the portion of the termination payment to be transferred and the pensions by the maximum possible amount in accordance with Article 19g of the Ordinance on Vesting in Pension Plans (FZV/OLP). The reduction shall be split equally between the 2 spouses.
- 2 In addition, from the date of the decree absolute, the retirement pension shall be permanently adjusted in line with the remaining pension assets after the transfer of the pension-sharing settlement.

Art. 4 Divorce of a disability pensioner (after reaching the regulatory reference age) or a retirement pensioner

- 1 If, when divorce proceedings are initiated, the member is granted a disability pension after reaching the regulatory reference age or a possible retirement pension, the pension shall be divided in accordance with the decree absolute. The mandatory and extra-mandatory portion, if any, of the liable spouse's retirement pension in payment shall be reduced by the amount of the retirement pension to be shared, proportionally to their share of the total pension. The entitlement to a (disabled member's or) retired member's child pension at the initiation of the divorce proceedings shall not be reduced. Any claims of the liable member to survivor benefits shall be calculated on the pension benefits actually paid after the pension-sharing settlement, subject to any orphan's pension replacing a child's pension which cannot be affected by the pension-sharing settlement.
- 2 The beneficiary spouse shall have a lifelong entitlement to a portion of the pension in accordance with Article 124a ZGB/CC (pure life annuity). The entitlement shall cease at the end of the month following the death of the beneficiary spouse. There shall be no entitlement to any further benefits, i.e. (reversionary) survivor benefits.

- 3 Instead of a pension, the beneficiary spouse may apply to receive a single lump-sum settlement. The application for a lump-sum settlement must be filed with the Foundation before the first pension payment is made. The relevant filing notice shall be irrevocable thereafter. The conversion to a lump sum shall be made applying the Foundation's actuarial tables when the divorce decree becomes absolute. The transfer of the lump-sum settlement shall extinguish all claims of the beneficiary spouse against the Foundation.
- 4 Before the regulatory reference age, the Foundation shall, with the consent of the beneficiary spouse, transfer the pension portion pursuant to Article 124a ZGB/CC as a single lump-sum payment in accordance with paragraph 2 above, or otherwise once a year by 15 December of the relevant year, to the occupational benefit or vested benefit institution of the beneficiary spouse. The annual pension payments in favour of the occupational benefits of the beneficiary divorced spouse shall accrue interest at one-half the regulatory interest rate. If the divorced spouse entitled to a pension changes his occupational benefit or vested benefit institution, he shall inform the Foundation liable for the pension payments by 15 November of the relevant year at the latest, indicating his new occupational or vested benefit institution.
- 5 If the beneficiary spouse is entitled to a whole disability pension or has reached the minimum age for early retirement, the Foundation shall pay him at his request a lifelong pension in accordance Article 124a ZGB/CC (in each case in monthly instalments in advance on the first day of the month), unless this claim has already been settled with a single lump-sum payment.
- 6 If the beneficiary spouse has reached the regulatory reference age, he shall receive a lifelong pension in accordance with Article 124a ZGB/CC. Upon request, the amount will be transferred to his pension fund provided purchases are still allowed under its regulations.
- 7 If, in the event of a divorce, a retirement pension, which can be reduced in accordance with Article 25(1) or 25(4) of the Pension Fund Regulations, is divided, the portion of the pension awarded to the beneficiary spouse shall continue to be taken into account when calculating any reduction in the retirement pension of the liable spouse.

Annex III (continuation)

Art. 5 Allocation of pension-sharing settlements

If a member receives a termination payment or a pension portion (even as a lump sum) in the context of a divorce in accordance with Article 124a ZGB/CC, this amount shall be credited to the member's pension assets with the Foundation in the same proportion as they were charged to the pension assets of the liable spouse. The communication of the transferring occupational benefit or vested benefit institution shall be authoritative in this regard.

Art. 6 Re-purchase following divorce

- 1 Pursuant to Article 22d FZG/LFLP, members may re-purchase the transferred portion of the termination payment. The amounts repurchased shall be apportioned in the same ratio as the amounts were deducted pursuant to Article 1(2) or Article 2(2) above. There shall be no right to repurchase within the scope of an existing disability. Nor may the reduction in a disability or retirement pension resulting from a pension-sharing settlement be compensated by a (re)purchase.
- 2 Members are advised to verify the tax deductibility of purchases with the competent tax authorities. The Foundation declines all responsibility in this regard.

Art. 7 Dissolution of a registered partnership

The provisions of this Annex shall apply mutatis mutandis to the dissolution by a court of a registered partnership.